

## Message Text

SECRET

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ORIGIN SS-25

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FM SECSTATE WASHDC  
TO AMEMBASSY CANBERRA

S E C R E T STATE 205894

EXDIS

E.O. 11652: S

TAGS: PFOR

SUBJECT: EXCHANGE OF LETTERS BETWEEN PRIME MINISTER  
FRASER AND PRESIDENT CARTER

1. FOLLOWING IS TEXT OF LETTER FROM PRIME MINISTER TO  
PRESIDENT CARTER DATED AUGUST 12:

2. 'MY DEAR JIMMY, I THOUGHT I SHOULD WRITE TO TELL YOU IN  
GENERAL TERMS ABOUT MY PARTICIPATION IN WHAT I SEE AS AN  
HISTORIC MEETING BETWEEN LEADERS OF THE ASEAN COUNTRIES  
(INDONESIA, SINGAPORE, MALAYSIA, THAILAND AND THE  
PHILIPPINES) AND AUSTRALIA, JAPAN AND NEW ZEALAND, IN  
KUALA LUMPUR A FEW DAYS AGO.

3. THE MEETING COINCIDED WITH THE 10TH ANNIVERSARY OF  
ASEAN AND WAS THE FIRST OCCASION ON WHICH THOSE FIVE  
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LEADERS HAD MET AS A GROUP WITH AUSTRALIA (AND JAPAN AND  
NEW ZEALAND). INDEED, IT WAS ONLY THE SECOND OCCASION  
ON WHICH THE FIVE HAD MET AMONGST THEMSELVES, A FACT WHICH  
SYMBOLIZES THE QUICKENING PACE AND DEVELOPMENT OF ASEAN  
AS A VIGOROUS REGIONAL ORGANIZATION. THE EMERGENCE OF  
THIS NEW SENSE OF PURPOSE COINCIDED WITH THE COMMUNIST  
VICTORIES IN VIETNAM, LAOS AND KAMPUCHEA AND IT WAS CLEAR

AT MY MEETINGS THAT THE CONCERN ABOUT THREAT FROM COMMUNISM REMAINS AN UNDERLYING MOTIVATION OF THE ASSOCIATION. NEVERTHELESS, THEY WERE AT PAINS TO HOLD FIRM TO THEIR PUBLICLY EXPRESSED LINE THAT ASEAN IS NOT AND SHOULD NOT BE A SECURITY PACT.

4. I FOUND MY DISCUSSIONS WITH THE LEADERS VERY VALUABLE. I WAS PARTICULARLY PLEASED WITH THE FRANK, POSITIVE AND CONSTRUCTIVE MANNER IN WHICH THEY WERE PREPARED TO LOOK AT SUBSTANTIVE ISSUES. IN MANY WAYS IT WAS NOT AN EASY MEETING FOR AUSTRALIA BECAUSE THE ASEAN COUNTRIES WERE PRESSING IN A VERY SINGLE-MINDED WAY FOR MAJOR TRADE AND TARIFF CONCESSIONS. I BELIEVE WE WERE ABLE TO MAKE SOME PROGRESS IN ALLAYING MISAPPREHENSIONS ABOUT FUTURE AUSTRALIAN TRADE POLICIES AND TO REASSURE THEM THAT WE WERE SINCERE IN OUR DECLARED INTENTIONS OF WORKING TO ENHANCE OUR ECONOMIC RELATIONSHIP WITH THEM. THEY ACCEPTED THE FACT THAT THE TIMING OF POSITIVE STEPS WOULD DEPEND TO A LARGE EXTENT ON THE CONTINUING IMPROVEMENT IN OUR DOMESTIC ECONOMIC POSITION, BUT MORE PARTICULARLY ON THE EFFECTS WHICH THE POLICIES OF THE MAJOR TRADING NATIONS HAD ON US.

5. IN MORE IMMEDIATE TERMS I WAS ABLE TO ANNOUNCE SIGNIFICANT EXPANSION IN THE SIZE AND AN IMPROVEMENT IN THE QUALITY OF OUR AID PROGRAMS TO THE AREA DIRECTED  
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SPECIFICALLY TO THEIR PLANS FOR ACCELERATED INDUSTRIAL DEVELOPMENT.

6. THROUGHOUT ALL MY INDIVIDUAL AND JOINT MEETINGS EACH OF THE LEADERS SHOWED A DEEP INTEREST AND CONCERN ABOUT THE UNITED STATES' ROLE IN SOUTH EAST ASIA. I WOULD BE LESS THAN FRANK WITH YOU IF I WERE NOT TO SAY THAT I DETECTED A CONTINUING NOTE OF PUZZLEMENT AND LACK OF UNDERSTANDING OF AMERICAN POLICIES. IT WAS A PUZZLEMENT BORN OF THE DIFFERENT PERCEPTIONS WHICH COUNTRIES OF THE REGION HAVE OF THE AMERICAN INTEREST IN THEIR PROBLEMS AND A RESULTANT READY CAPACITY TO MISCONCEIVE INTENTIONS. YOUR POLICIES TOWARDS KOREA WERE A CASE IN POINT. THERE IS A SPECIAL PROBLEM REFLECTED IN THE NEAR DILEMMA EACH OF THESE COUNTRIES HAVE OF WANTING AMERICAN STRATEGIC AND POLITICAL COMMITMENT TO THE AREA BUT NOT WANTING IT TO BE APPARENT. I WAS ALSO A LITTLE SURPRISED AT THE CAREFUL AND PRECISE WAY THEY HAVE BEEN EXAMINING RECENT UNITED STATES STATEMENTS ON THE REGION. FROM MY OWN DISCUSSIONS WITH YOU I WAS ABLE TO REASSURE THEM IN BOTH A GENERAL AND A PARTICULAR WAY ABOUT THE CONTINUITY AND COMMITMENT OF

U.S. POLICIES IN THE REGION. IT IS, NEVERTHELESS,  
A MATTER AT WHICH WE WILL NEED TO CONTINUE TO WORK.

7. THROUGHOUT THE MEETINGS THERE WERE MANY REFERENCES  
TO THE FORTHCOMING TALKS BETWEEN ASEAN AND UNITED STATES  
OFFICIALS. THE ASEAN COUNTRIES OBVIOUSLY REGARD THIS  
MEETING AS VERY IMPORTANT. THEY ARE TAKING IT VERY  
SERIOUSLY. IT IS DIFFICULT, AND POSSIBLY NOT FOR ME,  
TO ADVISE YOU PRECISELY ON WHAT ACTION IS REQUIRED.  
IN GENERAL TERMS, HOWEVER, THE ONE THING I AM SURE OF  
IS THAT THEY ARE LOOKING FOR GREATER UNDERSTANDING  
AND CONCERN FROM THE MAJOR INDUSTRIAL POWERS OF THEIR  
PROBLEMS, IN PARTICULAR, THEIR NEED FOR IMPROVED MARKETS  
FOR THEIR LABOUR-INTENSIVE AND MANUFACTURED PRODUCTS.

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8. MY ONLY OTHER THOUGHT IS TO SUGGEST THAT ALTHOUGH  
THE ASEAN COUNTRIES SEE THE TALKS AS MAINLY ECONOMIC,  
OUR OWN EXPERIENCE SUGGESTS THAT INEVITABLY THERE WILL  
BE A NEED TO TOUCH ON THE BROADER POLITICAL CONSIDERA-  
TIONS. INDEED THE TALKS COULD PROVIDE A USEFUL  
OPPORTUNITY FOR THE UNITED STATES TO EXPRESS ITS BROAD  
SUPPORT FOR ASEAN AND TO CLEAR UP SOME OF THE MISUNDER-  
STANDINGS THAT ARE STILL APPARENT.

9. ANDREW PEACOCK IS ALSO PLANNING TO WRITE TO CYRUS  
VANCE ABOUT A MATTER WHICH AROSE IN MY TALKS WITH  
MR. FUKUDA, CONCERNING MUTUAL CONCERN WE HAVE ABOUT THE  
ATTRACTION WHICH NEW ZEALAND IS APPARENTLY FINDING IN  
PROPOSALS MADE TO IT BY THE USSR TO ENTER INTO JOINT  
VENTURE FISHING OPERATIONS IN THE NEW ZEALAND 200 MILE  
ZONE.

10. NATURALLY I HAVE INSTRUCTED AUSTRALIAN OFFICIALS  
TO BRIEF YOUR OFFICIALS IN GREATER DETAIL ABOUT ANY OF  
THE ABOVE MATTERS, IF THEY SO WISH.

11. WITH MY WARMEST GOOD WISHES, MALCOLM FRASER."

12. FOLLOWING IS PRESIDENT'S REPLY DATED AUGUST 23:

13. "DEAR MALCOLM: THANK YOU FOR YOUR THOUGHTFUL  
LETTER DESCRIBING YOUR RECENT MEETING WITH THE LEADERS  
OF THE ASEAN NATIONS. WE TOO HAVE BEEN IMPRESSED BY  
THE SERIOUS, BUSINESSLIKE APPROACH THE ASEAN LEADERS  
HAVE SHOWN. ASEAN HAS COME A LONG WAY AS A FORCE FOR  
INCREASED COOPERATION, STABILITY AND GROWTH. WE INTEND  
TO DO WHAT WE CAN TO SUPPORT CONSULTATIONS AND COOPERA-

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TION IN AREAS OF MUTUAL INTERNATIONAL INTEREST. AS DO YOU, WE SHARE AN INTEREST IN THE PROSPERITY AND STABILITY OF THE AREA.

14. YOUR ANALYSIS IS PARTICULARLY USEFUL TO US AS THE U.S. DELEGATION PREPARES FOR ECONOMIC CONSULTATIONS WITH MINISTERS FROM THE ASEAN NATIONS NEXT MONTH IN MANILA. OUR DELEGATION WILL BE LED BY UNDER SECRETARY OF STATE FOR ECONOMIC AFFAIRS RICHARD N. COOPER. AS YOU SUGGEST, HE WILL BE PREPARED TO DISCUSS TRADE AND OTHER SUBJECTS OF INTEREST TO ASEAN.

15. AS YOU KNOW FROM OUR TALKS LAST JUNE, THE UNITED STATES IS FULLY COMMITTED TO RETAINING ITS PRESENCE AND INFLUENCE IN ASIA AND THE PACIFIC. I APPRECIATE WHAT YOU HAVE DONE SINCE WE TALKED TO MAKE THIS CLEAR TO OTHER ASIAN LEADERS. CY VANCE'S JUNE 29 SPEECH STRESSED THIS POINT, AND WE WILL KEEP LOOKING FOR OTHER SUITABLE MEANS OF REAFFIRMING OUR COMMITMENT.

16. I KNOW YOU ARE PARTICULARLY INTERESTED IN OUR PLANS TO WITHDRAW TROOPS FROM KOREA. I BELIEVE THAT HAROLD BROWN'S RECENT DISCUSSIONS IN SEOUL AND TOKYO HAVE SIGNIFICANTLY REASSURED THE KOREANS AND JAPANESE ABOUT THE STRENGTH OF OUR SECURITY COMMITMENT AND THE MEANS BY WHICH IT WILL BE IMPLEMENTED, INCLUDING A SUBSTANTIAL BUILDUP OF THE MILITARY CAPABILITIES OF THE REPUBLIC OF KOREA.

17. ONE OF THE THINGS CY VANCE WILL BE DISCUSSING IN PEKING WILL BE THE KOREAN QUESTION. HE WILL AGAIN EMPHASIZE OUR COMMITMENT TO THE SECURITY OF THE SOUTH AND OUR HOPE THAT THE CHINESE WILL ASSIST US IN PROMOTING A STABLER, MORE PEACEFUL REALTIONSHIP BETWEEN THE TWO KOREAS. OUR INTENTION IS TO HAVE A GENERAL TOUR D'HORIZON WITH THE CHINESE, INCLUDING OUR RELATIONSHIPS  
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WITH THE USSR AND THE SITUATION IN THE MIDDLE EAST AND AFRICA, AS WELL AS A FULL EXPLORATION OF THE POSSIBILITIES OF NORMALIZING RELATIONS. WE WILL INFORM YOU OF THE RESULTS OF THE VISIT THROUGH AMBASSADOR RENOUF.

18. WE WELCOME THE CONSTRUCTIVE ROLE AUSTRALIA IS PLAYING IN ASIA, AS WELL AS THE CLOSE COOPERATION BETWEEN

OUR TWO COUNTRIES. I DEEPLY APPRECIATE YOUR CONTINUING  
VIEWS AND COUNSEL. SINCERELY, JIMMY CARTER."

18. TEXTS ARE SUPPLIED FOR EMBASSY'S INFORMATION ONLY.  
ORIGINAL OF PRESIDENT'S REPLY HAS BEEN GIVEN TO  
AUSTRALIAN EMBASSY FOR TRANSMISSION TO PRIME MINISTER. VANCE

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